

few and far between. A hospital closing affects all rural residents in the vicinity, not just seniors on Medicare. Under the GOP plan, these Americans will be forced to drive further to the nearest hospital, putting lives at risk.

Not only do these proposals cut Medicare, but Medicaid is also being reduced over the next 7 years. For the past 30 years, the Medicaid Program has been America's health and long-term care safety net. The Republican proposal was to repeal Medicaid, slash its Federal funding over the next 7 years, and to turn remaining Federal funds over to the States in the form of a block grant. In a State like Alabama, which is habitually faced with budget proration, the effects of such additional burdens would be huge and devastating.

The bottom line is this—these Medicaid cuts are simply too much, too soon. Our State will not be able to cope without hurting people severely.

Mr. President, as I stated before, our primary objective must be to first focus on passing a budget that reduces the Federal deficit without putting Americans who rely on Medicare and Medicaid at risk, and then after 2 years, turn our attention to the issue of reducing taxes.

PASSAGE OF THE SOURCE TAX BILL

Mr. REID. Mr. President, today, I am extremely pleased to announce that the source tax bill has again passed both houses. As many of you know, this legislation was passed in the 102d and 103d Congresses, and again in the 104th Congress as an amendment to the budget bill, only to be struck because of the so called Byrd rule. I have been working on this issue virtually since I came to Congress.

There are many people who have been essential to the bill's passage, and I wish to acknowledge some of them now. This issue was brought to my attention by a Navadan named Bill Hoffman. He told me about the unjust cases of retirees being taxed by States they no longer were living in. Many of these stories were very tragic, because the retiree relied completely on their pension incomes to survive.

Bill and his wife Joanne heard so many of these tragic stories that eventually they started an organization known as Retirees to Eliminate State Income Source Tax [RESIST]. RESIST was founded in July 1988 in Carson City, NV. In less than 4 years, it had grown in membership to tens of thousands of members. It includes members of every State of the Union. RESIST is truly a nonprofit, grass roots organization, and I congratulate and thank Bill and Joanne today for their tireless efforts. Without their help the source tax bill would not have made it to this stage today.

I would also like to extend my sincere thanks to Chairman ROTH and Senator MOYNIHAN, their staff, and es-

pecially the Finance Committee staff, for all of their help getting the source tax bill out of committee and to the floor. With everything that has been going on in recent weeks, they made this bill a priority and I am very grateful for their hard work.

I also extend my thanks to Senator BRYAN and Congresswoman BARBARA VUCANOVICH and her staff. The Congresswoman has also been working on this bill for a very long time, and my colleague, Senator BRYAN, has been continually supportive and essential in the passage of this bill.

Currently, retirees may be forced to pay taxes to States where they do not reside, and from which they receive no benefits. This is truly an unfair practice, especially for those retirees with relatively low incomes. This bill prohibits States from taxing the retirement income of nonresidents. It ends taxation without representation. It will protect all income received from pension plans recognized as qualified under the Internal Revenue Code. It will also exempt income received under certain nonqualified deferred compensation plans.

Often times, the pension income retirees receive is the only income they have on which to live. I have heard many stories of the devastating effects of taxing these pensions. One story, which I have told on this floor before, is of an older woman from Fallon, NV, who had an annual income of between \$12,000 and \$13,000 a year. One day she receives a notice from California saying she owes taxes on her pension income from California, plus the penalties and interest on those taxes.

The California Franchise Board had gone back to 1978 and calculated her tax debt to be about \$6,000. That is half of her annual income. This story, as unfair and unequitable as it sounds, is unfortunately not unique. That is why this legislation is such a big victory for all retirees in this country.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt is now slightly in excess of \$11 billion shy of \$5 trillion.

As of the close of business Thursday, December 21, the Federal debt—down to the penny—stood at exactly \$4,989,393,165,359.35 or \$18,939.82 on a per capita basis for every man, woman, and child.

GOVERNMENT "SHUTDOWN"

Mr. SIMPSON. Mr. President, as this unprecedented Government "shutdown" continues, I trust we will not fail to consider its impact in terms of how it affects so many individuals.

In my home State of Wyoming—a "public lands" State—the closure of national treasures such as Yellowstone National Park inflicts pain and frustration on many fronts. This closure, and the shutdown of related facilities and

activities in my State, is a "hammer blow" to the recreation industry. It is an extreme disappointment to those who have long planned outdoor recreational vacations in that pristine winter environment. It also has a devastating economic impact on businesses and individuals throughout the region.

All across America, people's lives are being harshly affected by this action and it is all too easy—in our effort to view this problem on a regional, national, or even philosophical scale—to forget the needs and desires of the many individuals who sent us here to Washington not to bicker things to death, but to try to resolve them.

Let me cite here another example of the many affects of the shutdown of key services and facilities. I am deeply honored to serve as a Regent of the Smithsonian Institution. It is shut down. People from around our Nation—and from all around the world—as a part of this holiday season, have gathered their families to visit the Anacostia Museum, the Arts and Industries Building, the Cooper-Hewitt National Design Museum in New York, the Freer Gallery of Art, the Hirshhorn Museum and Sculpture Garden, the National Air and Space Museum, the National Museum of African Art, and National Museum of American Art, the National Museum of American History, the National Museum of the American Indian, the National Museum of Natural History, the National Portrait Gallery, the National Postal Museum, the National Zoological Park, the Renwick Gallery, the Arthur Sackler Gallery, the Smithsonian "Castle," the National Zoo, and a host of research facilities. But they won't. They can't. These facilities are not open to the tax-paying public. Their treasures are not to be viewed. The people who so wish to visit them over the holidays must be wondering wide-eyed, "What on earth is going on!?"

The museums of the Smithsonian report more than 25 million visitors annually. This great treasure of an institution is about to celebrate its 150th anniversary. And yet it is closed.

Last December more than 1 million people visited the Smithsonian museums and galleries.

In past years, visitorship in the last week of December has been double the week before. This year, most likely, it will not be.

The Smithsonian's retail shops and restaurants netted \$2.6 million for the Institution last December—\$440,000 in the final week alone, not counting restaurant proceeds. This is traditionally one of the most productive months for these operations of the Smithsonian. Until this year.

Another beneficiary of the Smithsonian's "draw" is the District of Columbia—itself in the midst of a major financial crisis. The Smithsonian's closure will certainly result in a parallel reduction of income for the District, as people learn there is no reason—and no way—to visit.